

**Remarks of
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to the
TEXAS TRANSPORTATION SUMMIT
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On behalf of President Bush and Transportation Secretary Norman Mineta, I want to thank you for inviting me to be here today.

As Bill mentioned, I am chiefly responsible for the federal government's oversight of truck and bus safety. This morning I have the privilege of representing the entire Department of Transportation. So, I'd like to talk about freight mobility and how we must integrate all modes of transportation into a safe, seamless system that serves all of our needs.

Transportation Driving the Economy

This is a challenging and rewarding period in transportation. Together, the States and DOT are improving safety, mobility and the economy.

Getting the economy moving has been, and always remains, a top priority for President Bush and his entire team. Our nation's economy is strong and getting stronger. We've added more than 1.5 million new jobs in the last 11 months. Texas alone has added more than 100,000 jobs since July of last year. We're witnessing steady, consistent growth. And one measure of our growing economy is DOT's Transportation Services Index, or TSI, which was introduced early this year.

The TSI measures month-by-month changes in freight transportation activity among "for hire" industries. It also tracks monthly changes in rail, bus, and air passenger travel. Today, the TSI stands at its highest level in the 14-year period for which we have data. This is good news for the economy, since our experience shows us that growth in the general economy follows increases in transportation activity.

It also shows just how much keeping our economy moving depends on keeping *America* moving. Our transportation system annually carries more than 16.3 billion tons of freight — valued at over \$12 trillion. And, as the economy continues to take off, we project freight volume will increase by more than 50 percent in the next 20 years. While we welcome this growth, it brings with it the challenge to handle the consequences.

The balance between transportation volume and capacity has always been delicate. On our highways, we're fighting a constant battle to keep ahead of the demands on roads-designed to handle a fraction of current traffic volumes.

This is especially true in fast-growing states like Texas, which has the largest road network in the country — more than 300,000 miles long. That's nearly double the size of California's road network, which is the second largest. Yet the Texas Transportation Institute projects that, with

the Lone Star State's population expected to more than double from 1990 to 2030, Texas highway travel will reach almost 300 billion vehicle miles traveled per year.

Adding to the challenges is the fact that Texas is a key NAFTA gateway. Since the implementation of the North American Free Trade Agreement, total US trade with Mexico has almost doubled, and Mexico is now our second largest trading partner. Seventy percent of this trade passes through Texas, and trucks move nearly three-quarters of that trade.

Texas's rapid growth comes as something of a mixed blessing, stretching transportation systems to the limit. Clearly, we must invest in expanding capacity to meet increasing demand, or congestion on Texas highways will put a chokehold on the economic vitality of your State and the Nation. But these investments are just the first step.

Safety Goal

This impacts not only our economy, but our safety. And, safety is at the very *heart* of what we do at the DOT and FMCSA. Each year, we lose about 43,000 people on our nation's highways. It's a sobering reminder of the hard work ahead of us.

USDOT has a commitment to reduce the fatality rate in all motor vehicle crashes by 41 percent from 1996 to 2008. To reach this goal, we must work with our valued partners in the States. As we look to the future, improving our transportation capacity is critical — to our safety, our economy, and our quality of life. So, we have a significant challenge before us.

SAFETEA

The Department's highest priority for addressing this challenge is the reauthorization of the federal surface transportation program. The Administration's bill is SAFETEA — the Safe, Accountable, Flexible, and Efficient Transportation Equity Act. It contains many of the DOT's innovative solutions to our transportation problems. Last month, Congress passed another short-term extension of TEA-21. This one — the fifth, overall — expires in late September.

At the same time, we at DOT are still working to secure timely passage of a long-term program. The new legislation must achieve the fiscal responsibility President Bush is insisting on. But that's only part of what's involved.

The Administration's proposal gives your communities more say over where your highway and transit dollars go — flexibility that empowers local leaders to address local transportation needs. It gives you new tools to raise additional revenue, to attract private capital to highway infrastructure for the first time, and to leverage existing resources more efficiently. It has strategic initiatives to develop and support multi-State public and private partnerships that will improve freight flow, especially at international gateways and along multi-state trade transport corridors.

SAFETEA places new focus on the intermodal connections between our roads, ports, railways, and airports — critically important links in the international trade network. And, it will give you better access to transportation dollars by taking advantage of innovative financing and public-private partnership options.

Corridors and Borders Program

Through SAFETEA, we aim to provide a firmer foundation and clearer direction for innovations such as the Trans-Texas Corridor, as well as operational initiatives. SAFETEA proposes improving an existing FHWA initiative. We're advocating a split of the FHWA Corridors and Borders Program.

This program ensures proper focus on planning and provides dedicated funds to critical border infrastructure projects. It will allow the Corridors program to encourage multi-State and multi-modal planning along these key trade corridors. At the same time, it will help the Borders program facilitate more effective bi-national planning that will enhance the movement of both goods and people at our land border crossings.

Intermodal Connections

SAFETEA also places new focus on the intermodal connections between our roads, ports, railways, and airports – critically important links in the international trade network. It targets investment in the critical “last-mile” road connections from the National Highway System to often-overlooked intermodal freight facilities.

There have been too many instances where the streets and roads that link trucks, trains and merchant ships to the mainline Interstate Highway systems are inadequate to move freight safely and efficiently. So, SAFETEA includes a set-aside of a portion of National Highway System funds to help close these gaps in the system.

Financing

Additionally, SAFETEA provides new financing tools to support our infrastructure investments and do a better job of leveraging every dollar in gas tax revenue that comes into the Highway Trust Fund. One proposal extends a financing method called Private Activity Bonds to highway and freight transfer facilities in a way that will boost private investment in highway infrastructure. These bonds already are used to fund ports, airports and other infrastructure projects, so the change we have proposed would make a minor change in our Nation's tax code. This would be an important tool for freight financing, balancing the cost obligation between the public and private sectors.

SAFETEA also would make the Transportation Infrastructure Finance and Innovation Act — or TIFIA — more accessible to smaller freight projects. This has been a successful innovative financing program under TEA-21. Freight rail projects would qualify for TIFIA loans, and the eligible project cost would be reduced to \$50 million from the current \$100 million level. This would allow for smaller freight projects to qualify for this valuable financing and also expand TIFIA eligibility to include publicly owned intermodal freight projects.

MCSAP

SAFETEA also is critical to improving motor carrier safety by continuing to support successful Federal and State enforcement programs. FMCSA estimates that from 1998 to 2000 the roadside inspections and enforcement activities that States performed helped save more than 1,500 lives, prevent nearly 25,000 injuries, and stop more than 36,000 crashes.

The Motor Carrier Safety Assistance Program — or MCSAP — remains the conduit of federal funding and grant monies for motor carrier safety enforcement. Over its two-decade life, MCSAP has become the backbone of our efforts to standardize rules and inspection procedures. It ensures compatibility among the States, ending the “patchwork quilt” of State-by-State-by-State regulatory schemes.

MCSAP grants support roadside driver and vehicle inspections, motor carrier compliance reviews, traffic and CDL enforcement, data improvements, and information and education efforts. It is the binding thread of our partnership to reduce truck- and bus-related fatalities, injuries and crashes. Consequently, it is vitally important to the efficient movement of freight across Texas and throughout our nation.

SEA-21 & Short Sea Shipping

Secretary Mineta has challenged his entire team to find solutions that go well beyond the innovations included in SAFETEA. From the day he arrived, the Secretary has encouraged a much tighter integration between the marine and landside components of our freight transportation systems. Some of the SAFETEA provisions I mentioned earlier were designed to jump-start this process, facilitating much improved landside links to our Nation’s major ports and inland waterways.

DOT also is working to develop the most comprehensive maritime review that the Nation has ever seen. This initiative, known as SEA-21, encompasses the entire marine transportation system – from ports to shipbuilding to mariner training. SEA-21 has the potential to modernize and enhance our maritime capacity, making it more secure and efficient while developing new areas of opportunity, such as short sea shipping. By making better use of our coastal and inland waterways, we can expand our freight capacity and provide some relief to our nation’s congested highways.

Freight Action Agenda

In addition to the SAFETEA and SEA-21 initiatives, we have taken intermodalism a step further. For much of the past year, our Office of Intermodalism has coordinated an effort to look comprehensively at our work in the area of freight and goods movement and to develop integrated solutions wherever possible. In this respect, we are not waiting for passage of a surface transportation bill. Instead, we are forging ahead wherever we can within our existing statutory and budget authority.

As a result, our Freight Action Agenda incorporates recommendations many of you and other stakeholders have shared with us, including supporting nationally significant freight projects at our major transportation gateways. We’re also taking advantage of new technologies in a whole host of areas. For example, by using positive train control technologies — an “intelligent railroad system” — we will ensure safer, more efficient rail shipments throughout the country.

In addition, Standardized Freight Communications will utilize the 5.9 GHz radio frequency that the FCC recently dedicated for transportation use. This initiative will exploit the greater capacity of the digital short-range communications — or DSRC — enabled by this frequency. Finally,

the Universal Electronic Manifest Demonstration Program will aim to eliminate paper documents in order to substantially improve freight movement.

NAFTA

Trade is a key component of President Bush's strategy for continuing to build a strong economy that creates even more jobs. And the Administration feels very strongly that NAFTA is vitally important to our nation's commerce and our economy.

Opening the market between Mexico and the United States for trucks and buses means *more opportunities* for American companies, *more jobs* for American drivers and *better deals* for American consumers. Yet we have to be mindful of safety concerns and the need to hold motor carriers, drivers and trucks from Mexico to our own high standards. And we are.

Last week the 9th Circuit Court of Appeals dismissed the lawsuit against DOT to halt implementation of the NAFTA trucking and bus provisions. This, of course, was the final official response to the Supreme Court decision in June and technically clears the way for opening the border. DOT is still working on the details of putting the rules into effect.

FMCSA is ready to implement these rules. We have established a system for Mexican carriers to apply for operating authority within the U.S. Mexican carriers must demonstrate their compliance with ALL FMCSA safety regulations, and border inspections will ensure that they meet our standards. Each carrier that qualifies will be assigned a distinct DOT number for operating beyond the 20-mile commercial zone.

The Bush Administration remains firmly committed to implementing the trucking and bus provisions of NAFTA.

Security

In addition to safety, security is a top concern, and I know it's especially important to Texas as we look to the opening of the Mexican border. We are working very closely with the Department of Homeland Security. Our aim is to maximize security without impeding commerce. Success requires partnership between more than just Federal agencies; it requires partnership with you.

Our broader efforts include: training and assisting States in conducting commercial vehicle security inspections; heightening our focus on hazardous materials, rental carriers, and high risk facilities; and working on a variety of plans and operational tests to develop technologies, procedures and programs.

Safety Belts

Before I close, I'd like to talk one of DOT's most important safety initiatives, safety belts. In 2003, 58 percent of those killed in passenger vehicles were not wearing safety belts. This underscores the value of the need for states to adopt enforceable safety belt laws.

The Bush Administration is proud that we have raised the national safety belt usage rate to 79 percent — the highest level ever. And the latest figures show that Texas's rate is even higher — 84 percent.

However, we still have a lot of work to do to raise the usage rates even more — across Texas and across the nation. This is something that I am particularly focused on at FMSCA, since our studies show that only 48 percent of truck and bus drivers buckle up.

Last December, Secretary Mineta gathered with enforcement and trucking leaders to launch the broadest effort this country has ever seen to get truckers and bus drivers to wear their safety belts. This summer the travel season began with a \$30 million *Click It or Ticket* campaign — and with an exciting new partner, NASCAR.

Click It or Ticket has been a very successful program. Last year, *Click It or Ticket* resulted in a 4-percentage point increase in national safety belt use. That's great news because it translates into about 1,000 lives saved. So, it's time for all drivers to buckle up.

Close

Our economy depends on the smooth flow of people and goods through our borders and across our nation. This not only will improve our mobility, our economy, and our quality of life, it can help prevent crashes and save lives.

Transportation has never been more important to America's future than it is right now. It is transportation that brings the American people together and drives our country forward. Remember that, working together, we can make our strong transportation system stronger, safer and more efficient. Thank you again for the opportunity to be here today.